

**Thirteenth Meeting of the EU-U.S. Joint Committee
Record of Meeting**

1. The thirteenth meeting of the EU-U.S. Joint Committee took place in Reykjavik on 5 June 2013. The list of participants is at Attachment 1. The agenda is at Attachment 2.
2. The European and U.S. delegations expressed their appreciation to the Icelandic Ministry for Foreign Affairs for generously hosting the meeting.

Accession of Croatia to the EU

3. The European delegation reported on the preparations for Croatia's accession to the U.S. - EU Air Transport Agreement through a protocol, which was intended to be ready for the next meeting of the Joint Committee. The U.S. delegation expressed its willingness to work closely with the Commission on the preparation of the protocol.

ICAO 38th Assembly

4. The European and U.S. delegations reaffirmed their shared interest in endorsing outcomes of recent ICAO security, air navigation and air transport conferences at the upcoming 38th ICAO Assembly. The European delegation outlined its ambitions in the areas of security, safety, aviation emissions, air traffic management, and air transport economic regulation, while expressing its strong commitment to cooperate with the U.S. in preparation towards the ICAO Assembly. The U.S. delegation noted the good cooperation achieved so far and expressed its readiness to coordinate positions.
5. On aviation emissions, the European and U.S. delegations emphasised their wish for progress at the ICAO Assembly on a basket of measures including market-based measures, and welcomed the IATA emissions resolution of 4 June 2013 which calls for Governments to agree on a single global market-based measure to limit emissions as an element of the basket of measures. The delegations reaffirmed their shared objective of cooperating and coordinating on environmental issues at the ICAO Assembly. The U.S. sees the benefits of a global MBM, and of a safety zone for national or regional measures in the interim, and emphasised its commitment to build on the 2010 ICAO Assembly Resolution and move forward. The European delegation underlined the importance that the Commission and European Parliament attach to progress at the Assembly, welcoming in particular IATA's recognition of the need to limit emissions, the role of out-of sector emission reductions, and the importance of equal treatment on routes. The EU highlighted that the EU adopted legislation to "stop the clock" across 30 countries for a year on aspects of the EU Emissions Trading Scheme (ETS) to promote progress, noting that IATA looks only at 2021 onwards so it is important to have a framework beforehand. The EU added that it is open to solutions that are meaningful, with non-discrimination being vital and the suggestion of limiting to individual Member State airspace being clearly unacceptable. It was clear that a further measure would have to go through the European Parliament. The European delegation concluded by stressing the significance of EU and U.S. coordination and underlined that the ICAO Assembly Resolution does not require unanimity but a large majority. The EU delegation also invited any questions on 'stop the clock' legislation and its implementation.

USG sequester effect on air travel, including TSA/CBP congestion

6. The U.S. delegation stressed that problems that may be experienced by European carriers at U.S. ports of entry were the unintended consequence of budgetary and

personnel limitations (exacerbated by the sequester) and that there had not been any intention to discriminate against any airlines. The European delegation encouraged the Department of Homeland Security and the Transportation Security Administration (TSA) to make maximum efforts to mitigate the impact of tight budgets on transatlantic travel and reiterated its concerns over the continued excessive waiting times for EU travellers processing through both immigration and security at U.S. airports. This negatively affects EU crews' duty flight times, EU passengers' missed connections and EU airlines' turn-around times. The European delegation stressed the need for a faster processing of passengers and for extending the TSA's crew-member program to EU crews.

Transatlantic Trade and Investment Partnership (TTIP)

7. The European delegation reiterated its strong desire to advance air transport liberalisation, including ownership and control, and cabotage, with the goal of removing barriers in support of growth and jobs. The European delegation expressed the view that the Transatlantic Trade and Investment Partnership (TTIP) negotiations starting in July 2013 could be the vehicle enabling the EU and the U.S. to open up fully the transatlantic aviation market, to reform the EU and U.S. air carriers' investment regimes, and to reinforce efforts on regulatory harmonisation. The U.S. delegation was not in a position to discuss the subject, noting the on-going 90-day consultation period with Congress and stakeholders.

Airport Issues

8. The U.S. delegation reiterated its concerns over the differentiated fee scheme in place at Italian airports specifying that these are almost twice as high for extra-EU flights as for intra-EU flights, and requested a prompt resolution. The U.S. delegation recalled it had been an irritant for an extended time and referred to the Order to Show Cause No 2013-3-1 issued by the Department of Transportation on 15 March 2013 and stressed that no final order with sanctions had yet been issued, providing the Italian authorities an opportunity to resolve the long-standing irritant. The European delegation stressed that the EU internal process of infringement procedure against Italy was moving forward and hoped that the issue would be solved by the time of the next Joint Committee. However, the European delegation expressed its discomfort with Order 2013-3-1, which contemplates operational restrictions on Alitalia.

9. Additionally, the U.S. delegation expressed concern over a distinction made between EU and non-EU flights in Italian air navigation charges. The European delegation promised to examine the matter.

10. The U.S. delegation provided information on the prospective Customs and Border Protection (CBP) preclearance facility in Abu Dhabi while explaining the broader national security context. The U.S. delegation confirmed that the U.S.-UAE Agreement was signed in April 2013 and the operations' start date would be defined by January 2014. The U.S. delegation confirmed that the U.S. industry was itself voicing concerns. The European delegation expressed ongoing concern over a potential competitive disadvantage for EU air carriers and airports and stressed the importance of finding a solution. The European delegation underlined a link to the issue of CBP and TSA restricted resources and the recent impact of the sequester affecting the already limited preclearance in Shannon, Ireland. The U.S. delegation noted these concerns.

11. The European delegation provided an update of the EU airport package proposal, explaining that negotiations between the Council and the European Parliament have started. The U.S. delegation reiterated its concerns about the latest developments on the

proposed noise Regulation and suggested that it did not adequately develop a true right of scrutiny for the Commission. On the proposed slots Regulation, the U.S. delegation raised again its concerns about the "use it or lose it" rule and the slots-series approach.

12. The U.S. delegation raised concerns over lack of consultations regarding noise fees introduced at some Italian airports which the U.S. delegation viewed as restrictions on operations. In addition, the U.S. delegation sought to understand whether the fees collected were used in accordance with ICAO guidance and re-invested into noise mitigating measures. The European delegation undertook to look into the issue and concurred that better communication with airlines would be beneficial.

13. On the CAEP/9 meeting (9th meeting of ICAO's Committee on Aviation Environmental Protection) held in February 2013 in Montreal, the European and U.S. delegations welcomed the good outcome addressing noise standards and noted that the new standard should be endorsed at the ICAO Council in June 2013.

Aviation Security developments in 2013

14. On aviation security, the delegations underlined the importance of maintaining the good working relations which had yielded significant achievements in the domain in 2012, particularly with regard to cargo recognition and the roadmap for lifting the restrictions on the carriage of liquids, aerosols and gels (LAGs).

15. The European Union adopted legislation revising LAGs requirements in March 2013, consistent with the first phase of the LAGs Statement of Intent which committed to lifting the restrictions on LAGs in cabin baggage in a phased approach and requires the screening of liquids sold as duty-free and liquids that are used for medicinal or dietary purposes by the end of January 2014. This phased approach is intended to ensure the maintenance of the necessary high level of security as well as operational feasibility. The sides intend to define subsequent steps together taking into account experience gained. The delegations discussed a number of risk-based security initiatives, such as TSA Pre Check and One Stop Security arrangement for U.S.-bound flights from the EU.

16. The delegations pledged to continue working together on the aforementioned issues and to forge closer co-operation in 2013.

17. The European delegation expressed concern regarding the proposed exit programme at U.S. airports, currently being discussed in the U.S. Senate in the context of an ongoing review of the U.S. immigration legislation, and potentially imposing on airlines the burden to collect fingerprints of departing passengers with the objective to monitor departures and overstays. The U.S. delegation promised to respond to the European delegation's concerns.

18. The U.S. delegation provided an update on the proposed foreign repair stations rule signed by the Secretary of Homeland Security in January 2013 but not yet published. The European delegation reiterated its continued strong concerns regarding the 2008 U.S. moratorium on the issuance of the Federal Aviation Administration (FAA) approvals for foreign repair stations leading to market imbalances and asked for a speedy resolution. The Commission noted it would hold off on its signature of the BASA (EU-U.S. Bilateral Aviation Safety Agreement) Bilateral Oversight Board Decision on introducing a reduction factor to the EASA (European Aviation Safety Agency) Fees & Charges levied on U.S. industry until the FAA lifts the ban on foreign repair stations certifications.

Furthermore, the European delegation stressed that the final rule on foreign repair stations should not render null the benefits of the BASA in the area of maintenance.

Cooperation in efforts to develop air traffic management systems

19. The European and U.S. delegations noted, with great satisfaction, substantial cooperation between NextGen and SESAR aimed at the highest possible synergies and interoperability between the two systems. The European delegation emphasised the ATM's cybersecurity aspects and expressed interest in engaging in more detailed exchanges with the US. The FAA expressed its readiness to collaborate with the Commission.

Market and competition developments

20. The European delegation stated its view that the proposed American Airlines and US Airways merger might have implications for the three airline alliances and EU air carriers, and noted its interest in continued exchanges with the U.S. authorities regarding competition matters. The U.S. delegation noted that the Department of Justice was responsible for overseeing domestic airline mergers. The U.S. delegation observed that the United States Department of Transportation works closely with the Department of Justice and the European Commission Directorate General for Competition, the EU competition authority, on mergers of this type.

21. In respect to the Delta Air Lines acquisition of 49% in Virgin Atlantic Airways, the European delegation noted that under the current EU rules on ownership and control, a joint airline venture has to be majority owned and controlled by EU interests. The U.S. delegation explained that the deal was still under the Department of Transportation's review, working in close contact with the European Commission Directorate General for Competition, and a high priority had been given to finalise the decision.

Consumer protection

22. The European and U.S. delegations discussed the Commission's May 2013 proposed revision of Regulation (EC) No 261/2004 fine-tuning the existing air passenger rights regime. The delegations further discussed the Department of Transportation's rulemaking regarding passengers with disabilities. The European delegation thanked the U.S. delegation for having invited the Commission to comment on the ongoing rule-making in this area and underlined that the goal of harmonising the respective EU and U.S. legislations serves passengers' interests.

AOB

23. Both the European and U.S. delegations shared concerns regarding the repair and maintenance runway closure at Dubai International Airport affecting the available airport capacity and slots to be allocated to EU and U.S. airlines. The delegations agreed to exchange information on developments.

24. The U.S. delegation restated its concerns over the French decree 2011-1336 applicable from 1 October 2013 imposing on U.S. airlines the burden to inform passengers about quantities of CO2 involved in their transportation. The French representative indicated that air carriers have the option to use the CO2 calculator link available on the Directorate General for Civil Aviation of France website, updated the Joint Committee on the consultations with Airlines for America (A4A) and indicated that France was willing to have further consultations with A4A before the entry into force of the decree.

25. The European and U.S. delegations affirmed their commitment to meet the deadline of April 2014 whereby the new BASA Annex on non-commercial pilot licences should be in force. Both sides endorsed their intention also to have the BASA's new Annex on reciprocal acceptance of training simulator devices completed within the commonly established and agreed timeline.

26. The U.S. delegation sought information about Norwegian Air Shuttle's apparent plans to operate flights with aircraft registered in Ireland and with crews based outside the EU, and asked in particular which labour and social legislation would apply to such crews. The European delegation stated that the case was still only hypothetical and undertook to look into it.

27. The European delegation noted that further to the previous Joint Committees' discussions on interpretation of 5th and 7th traffic freedom rights, further exchanges would be needed to build a common understanding.

28. The European and U.S. delegations agreed to hold the next meeting of the Joint Committee in January 2014 in Washington, D.C.

Signed on 08 January 2014.

For the European delegation:



Matthew Baldwin

For the U.S. delegation:



Krishna R. Urs

Attachment:

- 1 – List of Participants
- 2 – Approved Agenda

13th EU-U.S. Joint Committee meeting
Reykjavik, 5 June 2013

U.S. Delegation

Department of State

Mr. Krishna Urs, Deputy Assistant Secretary for Transportation Affairs
Ms. Megan Walklet-Tighe, Aviation Team Leader, Office of Transportation Policy
Ms. Elizabeth Kiingi, Attorney-Adviser, Office of the Legal Adviser
Ms. Kristin Westphal, Office of Aviation Negotiations
Ms. Carolina Hidea, Office of European Union and Regional Affairs
Mr. Brad Stilwell, Economic Officer, Embassy Reykjavik

Department of Transportation

Mr. Paul Gretch, Director, Office of International Aviation
Mr. John Kiser, Chief of Pricing and Multilateral Affairs, Office of International Aviation
Mr. Christopher T. "Kip" Tourtellot, Attorney Advisor, Office of International Law

Federal Aviation Administration

Ms. Lourdes Maurice, Executive Director, Office of Environment and Energy
Ms. Tricia Stacey, Senior Representative, Brussels

Department of Homeland Security Transportation Security Administration

Mr. David Gordner, Regional Manager, Europe

Department of Commerce

Mr. Eugene Alford, Air Transport Specialist

Industry Associations

Mr. Russell Bailey, Air Line Pilots Association
Ms. Cecilia Bethke, Airlines for America (A4A)
Ms. Rosalind K. Ellingsworth, Independent Pilots Association
Ms. Diane Peterson, Airports Council International – North America
Mr. Bob Coffman, Allied Pilots Association
Mr. Brian Davey, General Aviation Manufacturers Association
Mr. Kevin Henry, Governmental Affairs, Southwest Airlines Pilots Association

Environmental Organizations

Ms. Pamela Campos, Attorney, Environmental Defense Fund

European Delegation

European Commission

Mr. Matthew Baldwin, DG MOVE, Director, Aviation and International Transport Affairs
Ms. Jana Rejtharova, DG MOVE, Policy Officer, International Transport Affairs
Ms. Kertu Kaera, DG MOVE, Policy Officer, International Transport Affairs
Mr. Damien Meadows, DG CLIMA, Advisor to the Director, European & International Carbon Markets

European External Action Service

Mr. Felix Leinemann, First Secretary-Transport, Delegation of the European Union to the U.S.

EU Member States

Mr. Simon Knight, Head of Negotiations for CIS, Asia-Pacific and North American, International Aviation, Safety and Environment Division, Department for Transport, UK
Mr. François Théoleyre, Deputy-Director for Airlines and Air Services, Civil Aviation Authority, France
Ms. Susanna Metsälampi, Director, Department for Transport Law, Transport Safety Agency, Finland
Ms. Verena Brendl, Federal Ministry for Transport, Innovation and Technology, Austria
Mr. Tomáš Vokatý, Senior Officer, Civil Aviation Department, Ministry of Transport, Czech Republic
Ms. Ethna Brogan, Aviation Services Division, Department of Transport, Tourism and Sport, Ireland
Ms. Ana Belén de Castro Reyero, Directorate General of Civil Aviation, Spain

Iceland, Norway

Mr. Kristján Andri Stefánsson, Ministry for Foreign Affairs, Iceland
Ms. Jóhanna Helga Halldórsdóttir, Civil Aviation Administration, Iceland
Ms. Halla Sigrún Sigurðardóttir, Civil Aviation Administration, Iceland
Mr. Gunnar Órn Indriðason, Ministry of the Interior, Iceland
Mr. Anders Stoltenberg Slettvold, Civil Aviation Authority, Norway
Mr. Øyvind Ek, Ministry of Transport and Telecommunication, Norway

Industry Associations

Ms. Margreet Lommerts, Association of European Airlines
Mr. Stephen Guynan, European Cargo Alliance
Ms. Céline Canu, European Cockpit Association

13th EU-U.S. Joint Committee meeting
Reykjavik, 5 June 2013

Agenda

- ❖ **Introductions and Adoption of Agenda**
- ❖ **Adoption and signature of the Record of Meeting of the 15 January 2013 Joint Committee in Washington, D.C.**
- ❖ **Accession of Croatia to the EU**

Regulatory Co-operation

- ❖ **ICAO 38th Assembly**
 - EU/U.S. coordination of issues, including aviation emissions
- ❖ **USG sequester effect on air travel, including TSA/CBP congestion**
- ❖ **Transatlantic Trade and Investment Partnership (TTIP)**
- ❖ **Airport Issues**
 - Fees at Italian airports
 - CBP preclearance in Abu Dhabi
 - EU airport package (noise, slots, ground handling)
 - Noise restrictions at airports
- ❖ **Aviation Security developments in 2013**
 - Latest developments
 - Foreign repair station – progress of rule-making
- ❖ **Cooperation in efforts to develop air traffic management systems**
 - SESAR and NextGen
 - Cybersecurity
- ❖ **Market and competition developments**
 - American Airlines/ US Airways merger
 - Virgin Atlantic/ Delta joint venture
- ❖ **Consumer protection**
 - EU Regulatory developments: update on revision of Regulation 261/2004 establishing common rules on compensation and assistance to passengers
 - DOT Rulemaking regarding Passengers with Disabilities
- ❖ **AOB**
 - Dubai runway issue
 - French CO2 reporting requirements
 - Pilot licenses
 - Possible Norwegian Air Shuttle Operations in Ireland
 - 5th/7th traffic rights
- ❖ **Next Meeting**

